

Caption in Compliance with D.N.J. LBR 9004-1(b)

KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS INTERNATIONAL LLP Joshua A. Sussberg, P.C. (admitted *pro hac vice*) Emily E. Geier, P.C. (admitted *pro hac vice*)
Derek I. Hunter (admitted *pro hac vice*)
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900
joshua.sussberg@kirkland.com
emily.geier@kirkland.com
derek.hunter@kirkland.com

COLE SCHOTZ P.C.

Michael D. Sirota, Esq.
Warren A. Usatine, Esq.
Felice R. Yudkin, Esq.
Court Plaza North, 25 Main Street
Hackensack, New Jersey 07601
Telephone: (201) 489-3000
msirota@coleschotz.com
wusatine@coleschotz.com
fyudkin@coleschotz.com

Co-Counsel for Debtors and Debtors in Possession

In re:

BED BATH & BEYOND INC., *et al.*,

Debtors.¹



**Order Filed on June 30, 2023
by Clerk
U.S. Bankruptcy Court
District of New Jersey**

Chapter 11


Case No. 23-13359 (VFP)

(Jointly Administered)

**STIPULATION AND CONSENT ORDER
AUTHORIZING ABANDONMENT OF CERTAIN PERSONAL PROPERTY**

The relief set forth on the following pages, numbered two (2) through six (6), is hereby
ORDERED.

DATED: June 30, 2023



**Honorable Vincent F. Papalia
United States Bankruptcy Judge**

¹ The last four digits of Debtor Bed Bath & Beyond Inc.'s tax identification number are 0488. A complete list of the Debtors in these Chapter 11 Cases and each such Debtor's tax identification number may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/bbby>. The location of Debtor Bed Bath & Beyond Inc.'s principal place of business and the Debtors' service address in these Chapter 11 Cases is 650 Liberty Avenue, Union, New Jersey 07083.

(Page | 2)

Debtors: BED BATH & BEYOND INC., *et al.*

Case No. 23-13359-VFP

Caption of Order: STIPULATION AND CONSENT ORDER AUTHORIZING
ABANDONMENT OF CERTAIN PERSONAL PROPERTY

This stipulation and consent order (the “Stipulation”) is made by and between Federal Heath Sign Company, LLC (“Federal Heath”) and Bed Bath & Beyond Inc., and its affiliates, as debtors and debtors in possession (the “Debtors,” and together with Federal Heath, the “Parties”) by and through their respective duly authorized undersigned counsel.

Introduction

WHEREAS, on April 23, 2023 (the “Petition Date”), each of the Debtors commenced with the Court a voluntary case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their assets as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, the Debtors’ chapter 11 cases (the “Chapter 11 Cases”) have been procedurally consolidated;

WHEREAS, on or about October 1, 2021, Federal Heath agreed, at the Debtors’ request, to serve as a staging area for certain third-party vendor signage (the “Third-Party Inventory”) to be sold and delivered to the Debtors, in exchange for a fee per vendor, per store paid by the Debtors, and accordingly, from time to time, Federal Heath has held Third-Party Inventory on behalf of the Debtors at its facility in Rochester Hills, Michigan and certain offsite storage facilities near the facility (collectively, the “Rochester Hills Facility”);

WHEREAS, as of the date hereof, Federal Heath continues to hold certain Third-Party Inventory at the Rochester Hill Facility on behalf of the Debtors that was delivered to the Rochester Hills Facility between the fourth quarter of 2021 and the second quarter of 2022;

WHEREAS, as of the date hereof, Federal Heath is also in possession of certain signage that the Debtors ordered for delivery from Federal Heath, but the Debtors have yet to request such

(Page | 3)

Debtors: BED BATH & BEYOND INC., *et al.*

Case No. 23-13359-VFP

Caption of Order: STIPULATION AND CONSENT ORDER AUTHORIZING
ABANDONMENT OF CERTAIN PERSONAL PROPERTY

delivery (the “Federal Heath Inventory”) which is located at the Rochester Hills Facility and its Euless, Texas plant.

WHEREAS, on or about April 14, 2023, Federal Heath received requests from third-party vendors to dispose of the Third-Party Inventory remaining at the Rochester Hills Facility;

WHEREAS, Federal Heath asserts that it is entitled to, among other things, certain administrative priority claims pursuant to sections 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code;

WHEREAS, the Parties desire that the Debtors abandon the Third-Party Inventory and Federal Heath Inventory (collectively, the “Abandoned Property”) and that Federal Heath dispose of or otherwise use the Abandoned Property in its sole discretion;

WHEREAS, the Debtors’ determination to abandon the Abandoned Property pursuant to section 554 of the Bankruptcy Code is an exercise of the Debtors’ sound business judgment; and

WHEREAS, abandoning the Abandoned Property will benefit the Debtors’ bankruptcy estates by, among other things, resolving certain administrative priority and lien claims asserted by Federal Heath, disposing of property of minimal or no material value or benefit to the Debtors’ estates, and avoiding costs to the Debtors’ estates related to the removal, storage, and disposition of the Abandoned Property.

**NOW THEREFORE, IT IS HEREBY STIPULATED, AGREED AND ORDERED
AS FOLLOWS:**

1. The recitals set forth above are hereby made an integral part of the Parties’ Stipulation and are incorporated herein.

(Page | 4)

Debtors: BED BATH & BEYOND INC., *et al.*

Case No. 23-13359-VFP

Caption of Order: STIPULATION AND CONSENT ORDER AUTHORIZING
ABANDONMENT OF CERTAIN PERSONAL PROPERTY

2. This Stipulation is subject to and conditioned upon the entry of a final order of the Court approving this Stipulation (the “Stipulation Effective Date”). Notwithstanding the provisions of any Bankruptcy Rule or Local Rule to the contrary, including Bankruptcy Rule 6007, the terms and conditions of the Stipulation shall be immediately effective and enforceable upon the Stipulation Effective Date without further notice or hearing of the Court.

3. Upon the Stipulation Effective Date, the Debtors are hereby authorized to abandon the Abandoned Property and the abandonment of the Abandoned Property shall be effective as of the Stipulation Effective Date. Federal Heath is hereby authorized to use or dispose of the Abandoned Property, in its sole discretion, free and clear of all liens, claims, encumbrances, and interests, and without notice or liability to the Debtors and their estates and any third party.

4. Federal Heath hereby waives any postpetition claim, including any administrative priority claim pursuant to sections 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code, relating to the storage, possession, or disposal of the Abandoned Property.

5. The Debtors shall owe no further postpetition obligations, debts, or other compensation to Federal Heath in connection with the Abandoned Property after the Stipulation Effective Date, and nothing herein shall prejudice the rights of the Debtors to object to any and all claims associated with the abandonment of the Abandoned Property.

6. This Stipulation is without prejudice to the Debtors’ right to seek relief to abandon, dispose of, or destroy any other property of the Debtors’ estates.

7. This Stipulation is the entire agreement between the Parties with respect to the subject matter hereof. This Stipulation supersedes any and all agreements, whether written or oral, that may have previously existed between the Parties with respect to the matters set forth herein.

(Page | 5)

Debtors: BED BATH & BEYOND INC., *et al.*

Case No. 23-13359-VFP

Caption of Order: STIPULATION AND CONSENT ORDER AUTHORIZING
ABANDONMENT OF CERTAIN PERSONAL PROPERTY

No statements, promises, or representations have been made by any Party to any other, or relied upon, and no consideration has been offered, promised, expected, or held out other than as expressly provided for herein.

8. The Parties, by and through their undersigned counsel, each represent and warrant that the undersigned is fully authorized and empowered to execute and deliver this Stipulation on behalf of, and to bind, each Party, as applicable, to the terms and conditions of this Stipulation.

9. Each of the Parties further acknowledges that it has been fully advised with respect to its rights and obligations under this Stipulation by counsel of its own choosing. Each of the Parties has consulted with counsel of its own choosing and has had adequate opportunity to make whatever investigation or inquiry it deems necessary or desirable with respect to the subject matter and terms of this Stipulation.

10. In the event of any ambiguity in this Stipulation, no inferences shall be drawn against any Party on the basis of authorship of this Stipulation. This Stipulation shall be binding and inure to the benefit of the Parties hereto, their successors and assigns, including without limitation, as to the Debtors, any chapter 7 or chapter 11 trustee, plan administrator or estate representative, and the liquidation trustee under the Debtors' confirmed plan of liquidation, and as to Federal Heath, any executor, estate administrator, or representative.

11. No modification, amendment, or waiver of any of the terms or provisions of this Stipulation shall bind any Party unless such modification, amendment or waiver is in writing, has been approved by the Court, and has been executed by a duly authorized representative of the Party against whom such modification, amendment or waiver is sought to be enforced. If any part of this Stipulation is held to be unenforceable by any court of competent jurisdiction, the

(Page | 6)

Debtors: BED BATH & BEYOND INC., *et al.*

Case No. 23-13359-VFP

Caption of Order: STIPULATION AND CONSENT ORDER AUTHORIZING
ABANDONMENT OF CERTAIN PERSONAL PROPERTY

unenforceable provision shall be deemed amended to the least extent possible to render it enforceable and the remainder of this Stipulation shall remain in full force and effect.

12. This Stipulation shall be governed by and construed in accordance with the Bankruptcy Code and, where not inconsistent, the laws of the State of New Jersey, without regard to the conflict of laws principles thereof. This Stipulation shall be binding upon and inure to the benefit of the Parties and their respective successors, assignees, agents, attorneys and representatives.

13. This Stipulation may be executed in one or more counterparts, including by facsimile and/or electronic mail, each of which when so executed shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same Stipulation.

14. The Parties acknowledge and agree that the Court shall retain jurisdiction over all disputes concerning or related to the subject matter of this Stipulation.

Dated: June 22, 2023

/s/ Michael D. Sirota

COLE SCHOTZ P.C.

Michael D. Sirota, Esq.
Warren A. Usatine, Esq.
Felice R. Yudkin, Esq.
Court Plaza North, 25 Main Street
Hackensack, New Jersey 07601
Telephone: (201) 489-3000
Email: msirota@coleschotz.com
wusatine@coleschotz.com
fyudkin@coleschotz.com

KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
Emily E. Geier, P.C. (admitted *pro hac vice*)
Derek I. Hunter (admitted *pro hac vice*)
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900
Email: josuha.sussberg@kirkland.com
emily.geier@kirkland.com
derek.hunter@kirkland.com

*Co-Counsel for Debtors and
Debtors in Possession*

**FEDERAL HEATH SIGN COMPANY,
LLC**

/s/ Elizabeth L. Janczak

Elizabeth L. Janczak
Smith Gambrell & Russell LLP
311 S. Wacker Dr., Suite 3000
Chicago, IL 60606
(312) 360-6722
ejanczak@sgrlaw.com